

**MINUTES OF THE MEETING OF THE
UNIFORM COMMERCIAL CODE COMMITTEE
OF THE BUSINESS LAW SECTION
OF THE STATE BAR OF CALIFORNIA**

**Tuesday, February 12, 2008
Offices of Morrison & Foerster LLP
(Los Angeles and San Francisco)**

The February 12, 2008 meeting of the Uniform Commercial Code Committee (the “Committee”) was called to order at approximately 10:00 a.m., with Wansun Song presiding.

A. ADMINISTRATIVE MATTERS

1. **Appointment of Secretary.** Patrick Costello was induced – with the firm commitment that he would not be called upon again to do so – to serve as Secretary for the meeting.

2. **Roll Call/Attendance.** Please refer to the attendance sheet attached at the end of the minutes.

3. **Consideration/Approval of January 8, 2008 Meeting Minutes.** The minutes of the January 8, 2008 meeting were approved with several minor corrections.

4. **Meeting Dates; Change in April and September Meeting Dates:**

a. **Meeting Dates:** Next Committee meeting is March 11, 2008. Committee meetings are generally the second Tuesday of the month at 10:00 a.m. Two exceptions:

- April meeting is scheduled for April 15, 2008 at 10:00 a.m.: This meeting was moved a week so that the Committee meeting will occur after the ABA Business Law Section meetings scheduled for April 9, 2008 in Dallas.
- September meeting will be an in-person meeting to be held in conjunction with the State Bar meeting in Monterey. September meeting is scheduled for September 26, 2008 at 1:00 p.m. in Monterey.

b. **Joint Luncheon with Insolvency Committee:** The Committee’s joint lunch with the Insolvency Committee is scheduled for Friday, February 15 at the Morrison & Foerster offices in San Francisco and Los Angeles. Committee members should RSVP to Janice Kosel.

5. **Status of Applications to the Committee.** No applications for Committee membership but several names are circulating. Committee members are reminded to think about new candidates.

6. **Subcommittee Membership.** No developments or changes reported.

B. MAIN AGENDA ITEMS

1. **Debtor Names Subcommittee.** Edith Warkentine reported that the Committee was looking at approaches to addressing the individual debtor's name problem, and in particular the Texas solution of the driver's license approach. Edith advised that she expected the Subcommittee to circulate a draft report for Committee consideration at the April meeting.

2. **Hidden Liens Project.** Kevin Cops gave an update on the Subcommittee's work on finalizing the analyses: the Subcommittee was close to finalizing as many as 20 of the lien analyses.

3. **Uniform Assignment of Rents Subcommittee.** Wansun Song reported that the meeting materials contain the Subcommittee's report on recommendations with respect to certain provisions of the Uniform Assignment of Rents Act as compared to current California law. Wansun noted that the Uniform Act had only been adopted by one state – Nevada – and the question was what the approach of the Committee should be: take no action until the legislation was proposed in the California legislature or be more proactive. Committee members discussed the merits of the alternate approaches.

ABA Task Force on Filing Office Operations and Search Logic. The discussion on debtor names issues led into a discussion of certain amendments to Article 9 proposed by the International Association of Commercial Administrators (IACA). Members discussed various details of the IACA proposals and how the Committee should respond to the proposals. The Subcommittee will prepare a draft report commenting on the IACA proposed amendments for the next Committee meeting and will check with the chairman of the ABA Task Force to determine if the ABA Task Force was taking a position on the IACA amendments. Later in the meeting, Patrick Costello and Vasco Morais gave a report of the summary of the two ABA Task Force conference calls that had occurred and a brief explanation of the issues associated with filing search office logic and the software executing the search logic.

4. **Partnership Guide.** Karl Christiansen explained meeting materials included outline prepared by the Subcommittee for the section on Security Interests In Partnership to be incorporated into the California Partnership Guide being prepared by the Partnership Committee. Committee members believed that the outline was sound and suggestions were made to add a section on foreclosure on partnership interests as well as adding forms. Karl requested that Committee members forward any exemplars to him. Karl advised that the Subcommittee report back after further discussions with the Partnership Committee. The Subcommittee will then proceed to draft the section based on the final outline.

5. **Essay Contest.** Wansun Song reported that \$2,500 had been approved for the essay contest. The next step was to form a Subcommittee to work on the project and Wansun requested that Committee members volunteer to work on the Subcommittee. The Committee approved Wansun's proposal that the essay contest not actually be "rolled out" until Fall 2008 so that the Committee can put the necessary process in place and make certain that the law schools would publicize the contest.

C. SUBCOMMITTEE AND OTHER REPORTS.

Bogus Filing. Edith Warkentine has spoken with the bill sponsors and they were open and amenable to the Committee's concerns. The sponsor's concerns are with liens other than UCC financing statements and they appear willing to eliminate all references to UCC financing statements from the proposed legislation. Mark Porter reported that he had addressed the matter of the requisite approval/authorization process with ExComm. He reported that the basic rule was that so long as no bill is pending in the legislature, the Committee can talk with prospective sponsors and shape the proposal before it is introduced into the legislature without going through ExComm Authorization process. Introduction of the bill triggers the requirement that the Committee go through the ExComm approval process.

In light of the foregoing, the best course of action appears to be to become proactive and work with the parties pushing the legislative proposal rather than wait for the bill to be introduced.

1. **Full Payment Check Subcommittee.** Patrick Costello reported that there were no further developments.

2. **Commercial Money Center Case.** Vasco Morais reported no further developments: he had spoken with the debtors attorney and understood that the FDIC stay was still in effect. Vasco expected to move forward with the proposed article, but due to other time commitments, he had not made significant headway this month.

3. **Publications and Programs.** Ken Miller reported that the Subcommittee has tentatively scheduled April 3rd for the webinar on default and exercise of remedies under Division 9 and will have webinar training on February 26th.

4. **Legislation.** Jim Cochran reported that the legislative subcommittee of ExComm Had put together a toolkit with a complete roadmap for shepparding an affirmative legislative proposal (ALP) or statement of position through the ExComm Approval process.

Edith Warkentine reported that the Subcommittee was keeping up the legislative proposals.

The Committee, after a brief discussion of the several bills in Congress concerning subprime mortgages concluded those bills did not require tracking of this time. Similarly a bill in the California legislature creating an automatically perfected security interest in the reserve accounts of foreign banks in California in favor of California Department of Financial Institutions did not require tracking, but should be referred to the Financial Institutions Committee.

5. **Website Development.** Vasco Morais gave a brief report of the status of e-blasts and website development.

6. **CCP 697.530.** No report.

7. **Deposit Control Agreements Sub-Committee.** Karl Christiansen reported that the Subcommittee had its first meeting concerning the current ABA forms. The first task of the Subcommittee is to compare the current ABA draft forms with the Committee's comments and proposed changes to prior ABA drafts to determine extent to which the Committee's prior comments had been incorporated or omitted: the Subcommittee will prepare a written report for the Committee.

8. **BLS Model Opinion Project.** Kevin Cops reported that the Subcommittee was still in a holding pattern.

D. LIAISON UPDATES

1. **ExComm** See prior items concerning matters addressed by Jim Cochran and Mark Porter. Mark urged the Committee to continue to work on webinars and consider increasing the frequency of e-communications to membership.

2. **Insolvency.** No report.

3. **Corporations.** Chuck Ortmyer introduced himself as liaison for the Corporations Committee.

4. **Cyberspace.** Patrick Costello reported that he had attended the last Cyberspace Committee Meeting and that there was some interest in doing some term of joint presentation.

E. OTHER ITEMS.

There were no additional items reported.

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The meeting concluded at approximately 11:15 a.m.

Meeting Attendance:

January 8

February 12

Janice E. Kosel	Present	Present
Wansun Song	Present	Present
Edith R. Warkentine	Present	Present
Patrick Costello	Present	Present
Harry C. Sigman	Present	Present
Ariel A. Berrios	Absent	Absent
Peter Burke	Present	Absent
Karl H. Christiansen	Present	Present
Kevin Cops	Absent	Present
Michael DuQuesnay	Present	Present
Zachary S. Finley	Present	Absent
Elliot Hinds	Absent	Absent
George Kalikman	Absent	Present
Ken Miller	Present	Present
Sandra Lee Montgomery	Absent	Absent
Vasco H. Morais	Present	Present
Theotis F. Oliphant	Absent	Present
John Oehmke	Present	Absent
Jane K. Springwater	Present	Present
Leila Tredemeyer	Present	Absent
Robert A. Trodella, Jr.	Absent	Absent
Demetria Vong-Spillan	Absent	Absent
Mark Porter (Ex Com Liaison)	Absent	Present
Barry Dubin	Present	Absent
Jay Bingham (Insolvency)	Present	Absent
Jim Cocharn (Ex Com)	----	Present
Chuck Ortmyer (Corp.)	----	Present